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E.O. 12958: N/A
TAGS: [EAID](#) [ECON](#) [PGOV](#) [EG](#)
SUBJECT: EDUCATION REFORM IN EGYPT

Sensitive but unclassified. Please handle accordingly.

1. (SBU) SUMMARY: The poor quality of public education in Egypt is consistently cited by Egyptians across the board as a major impediment to both economic and political development. Reformers agree Egypt needs an education system which encourages critical thinking, problem solving, teamwork and innovation, rather than rote memorization. With this as a goal, the GOE has made unprecedented efforts in reforming its pre-university educational system over the past three years. Moreover, despite the political risk, the GOE has welcomed low-profile international expertise, including from USAID. The sustainability of the reforms is uncertain given the size of the system; inherent resistance to change in a centralized, authoritarian political and educational system; the fragile political legitimacy of the regime in deviating from its implicit social contract with the Egyptian public; and the multitude of actors with the ability to interfere. Benefits of the reforms will take some time to show up; impact can only be observed over the medium to long-term given the size of the system, and the breadth, depth and pace of the reforms. The challenge will be to stay the course. This cable addresses the situation in primary, preparatory and secondary education. Although higher education was originally part of the reform agenda between the USG and the GOE, the lack of real commitment has made this a less favorable arena for reform.
END SUMMARY.

Background: This is Not a Pilot Project

2. (U) Egypt's pre-university education system is enormous. The average school teacher makes LE 1,000 (about US\$200) a month. At the pre-university level alone, the system enrolls over 16 million students and employs over 1.7 million workers, of whom around 1 million are categorized as teachers. Total public spending on education has been high by international standards (5.9 percent of GDP and 19 percent of total public spending in 2002/03) and continues to increase in absolute terms, but is declining as a percentage of the overall GOE budget. Total private costs of education, most of which is for students in the public system (for private tutoring, textbooks, school fees, uniforms, supplies, etc.), amount to an additional 3.7 percent of GDP investment in education, and has been rising for a decade.

3. (U) As a result of such high public investment, during the past decade the government achieved increases in enrollment rates that would have been remarkable even without the increase in student population. Enrollment in basic education for both girls and boys is now nearly universal, and secondary and tertiary enrollments are rising. Moreover, as the World Bank's 2007 Sector Note on Education observed, the speed with which the gender gap in basic education was closed is not only impressive but historic. In addition, higher education enrollment is growing rapidly. Educational outcomes in Egypt are, on average, reasonable for Egypt's level of economic development, but less so given the high level of public and private investment. Outcomes are also highly unequal, a fact that clearly reflects differences in socio-economic status across students, but also likely inequality in the quality of schools.

4. (U) Minister of Education Youssry El Gamal was appointed in 2005. A former dean of the Arab Academy of Science and Technology

in Alexandria, he has a Phd from George Washington University and had previously served as the civil society leader on USAID's pioneering Alexandria Education Reform pilot. One of his first priorities as minister was to develop a national education strategy for 2007-2011. This strategy, developed with USAID's technical assistance, was designed in a broad-based, participative manner, engaging donors and civil society. In 2006, USAID agreed on a policy reform agenda with El Gamal that addressed policy and institutional impediments to improving educational quality. The agenda, which formed the basis of a cash transfer program signed that year, included:

- establishment of a professional Teacher's Cadre and the conversion of administrative positions to teaching ones;
- reduction in the number of textbooks;
- the piloting of the elimination of the use of the ninth grade exam, that had historically been used to track two-thirds of all students into technical/vocational secondary education, in three governorates;
- increased private participation in the publishing and production of textbooks to improve quality; and,
- the introduction of public/private partnerships in the construction and long-term physical management of public schools.

15. (U) Additional priority reforms of the GOE not in the cash transfer program include school accreditation; decentralization of school finances and administration to the district level; and, rethinking the secondary leaving exam and higher education admissions process.

Problems: Crowding Out the Poor/Staving Off Fundamentalism

16. (SBU) The GOE's education reform program is designed to address three fundamental challenges that the current system poses for the government and the economy. First, the private tutoring that students need to succeed in the system to compensate for overcrowded classrooms and for poor teaching drives out the poor. Second, the Muslim Brotherhood is increasingly influential within the education sector in both public schools and a growing number of private schools in providing a more fundamentalist education. Finally, there is a significant disconnect between the skills of graduates at every level and the needs of the private sector, as evidenced by Egypt's low ratings on educational quality in economic competitiveness reports.

Where's the Beef/Teacher?

17. In 2006, the Minister of Education had 1.7 million employees. Of those, 700,000 were service workers and civil servants spread across the country. The remaining 1 million were divided almost equally between teachers and administrators, with one administrator for every 1.2 teachers. This is one of the highest teachings: non-teaching ratios in the world. By comparison, Jordan has 4 teachers for every administrator, and the OECD average is 8:1. Also Egyptian teachers are the least paid in the region (compared to GDP per capita). Under the existing pay structure, the administrator jobs were the only route to higher pay for teachers, who were earning starting salaries of LE 1,000. Finally, teacher/student ratios on average are 40:1 in 50 percent of the school, but are reported to reach 80 or 100:1 in the slum areas of Cairo.

18. (U) To address these imbalances, the GOE pushed the Teacher's Cadre law through Parliament in 2007. The new law in its first phase gave teachers a fifty percent increase in their base salary, but required them to take qualifying exams. Once the law was passed, most of the nearly 500,000 administrators declared themselves teachers to benefit from the pay hike. Despite strong resistance from the teachers to the idea of competency examinations, in January 2008, 830,258 out of 1,064,742 persons eligible to take the tests were actually examined in their pedagogical, Arabic language, and subject matter expertise. In total, sixty-two different tests were administered to these teachers based on the grade level and specialty. Eighty-five percent passed and, based on their scores and years of experience, have been assigned to one of five levels in the new Teacher's Cadre.

19. (SBU) USAID worked closely with the ministry to develop, pilot and publicize this examination. This was a monumental task which,

while not perfect, was completed on time and sent a strong signal to teachers of the GOE's intent to improve teaching quality. At the same time that the testing went forward, the ministry is also substantially reducing the number of administrators at individual schools, in order to get more and better qualified teachers back in the classroom teaching.

Textbooks: the Back Door to Curriculum Reform

¶10. (SBU) Given the political sensitivities of USG engagement in education in Egypt, especially relating to curriculum and textbook reform, USAID has not played a significant role in these areas. The Ministry of Education has its publishing operation, and the GOE owns two additional public sector publishers. Textbooks produced by these operations have been a consistent source of corruption, however, as publishers and ministry bureaucrats benefitted from excessive purchases of expensive, poor quality textbooks. The World Bank's 2005 Sector Note observed that while student enrollment rose only 3% between 1999 and 2005, textbook production increased by 15 percent and the budget for textbook printing increased by 63 percent. The rising demand for books is due to the unregulated Government process for authorizing the provision of materials to the school system. In 2006, the ministry produced 450 million new textbooks for over 16 million students, expending about LE 1 billion. Based on the World Bank analysis, Minister El Gamal decided to take the textbook industry on and has since cut the number of new textbook purchases to 335 million. He has answered criticism on this issue, especially from newspaper printing houses fearful of losing reliable income from printing textbooks, by saying that the savings have been reinvested in better quality texts.

¶11. (SBU) At the same time, and with USAID support, El Gamal agreed to outsource some textbook publishing and production to the private sector. With USAID-funded technical advice, the MOE is revamping its textbook procurement rules and increasing private and hopefully international participation in publishing and production. Contracts for new Arabic, math and science textbooks for grades 1-6 are slated to be awarded in June with delivery thereafter. We expect these new textbooks will more accurately reflect what are considered to be fairly decent Egyptian national curriculum standards and international best practices.

Decentralization: Modernizing the State A La NDP

¶12. (SBU) Since taking office in 2004, the Nazif government has focused on improved service delivery in the areas of health, education, social services, transportation and housing in an effort to mitigate the influence of the Muslim Brotherhood's informal yet effective social safety net services. The NDP appears ready to decentralize government services, but with the goal of energizing a new generation of National Democratic Party activists, rather than with the aim of giving average Egyptians an opportunity for greater participation and increased local governance. Because of the minister's activism, and the government's focus on education, the GOE selected this sector as the leading edge for decentralization. Observers are concerned, however, that efforts to improve the quality of education by decentralization will get lost in the political drive to decentralize for the purpose of broadening and strengthening the ruling party itself. To maintain the focus on reform, the GOE is relying heavily on USAID-funded technical assistance to run pilot decentralization programs in three governorates. Gamal Mubarak and the Policy Committee of the National Democratic Party are closely guiding and monitoring this process.

Tracking: The Warehousing of Egyptian Youth

¶13. (SBU) Egypt has a very high proportion of secondary students in technical and vocational education, compared to some other countries in the Middle East and North Africa as well as other low middle income countries. Sixty percent of Egyptian students who complete preparatory (middle) school are tracked to technical/vocation education at the secondary level. Serving more social and political than educational or economic objectives, these schools are overcrowded, do not graduate students with basic literacy and numeracy, and are poorly connected to the need of employers. As a 2006 study noted, these schools are perceived as a last educational chance for low performing students to enable them to complete their

basic education. The technical/vocational curriculum does not reflect international best practices, which espouse a core curriculum at the secondary level, combined with practical application for all secondary students.

¶14. (U) World Bank-funded reforms to transform 205 secondary commercial schools have not been successful because of the lack of curricular and assessment reform. USAID agreed to support pilot programs in three governorates that eliminated the use of the results of the 9th grade examination as the basis for tracking students into general secondary and secondary tech/voc education. While the change in the first year was modest, the trend from tech/voc schools to general education in the second year has been dramatic. On average, the enrollment of students in general secondary in the three pilot governorates of Alexandria, Marsa Matrouh and Dakahlia rose from 11% to 54% from 2007/08 to 2008/09 with a concomitant decline in tech/voc enrollment. Other governorates are expressing interest in adapting this new policy.

¶15. (SBU) More broadly, the GOE needs to rethink the goals of its secondary education system and higher education admissions in order to align it with market needs, produce employable youth, and ensure equitable access to quality education. President Mubarak launched such a rethink with his Secondary Education/Higher Education Admissions Conference last March. We understand Prime Minister Nazif has agreed to delink secondary education leaving exam results with admission to higher education. This would turn the twelve grade exam into a completion exam. The Ministry of Higher Education would then have to find other criteria upon which to base admissions into institutes for higher education. Considerable additional work is needed on all of these proposals; at this time the GOE does not have the technical expertise to do this.

School Construction: You Can Only Lay So Much Cement

¶16. (U) In response to World Bank findings of significant inefficiencies in school construction, USAID and Germany's aid agency, KfW did a study for the GOE citing the need for fundamental reform. One result has been a GOE decision to outsource construction and management, over a fifteen year period, of fifty public schools to the private sector. In cooperation with the Ministry of Finance and USAID technical assistance, the ministry has prepared and plans to award a public-private partnership contract in April. The success of the project will depend on the availability of long-term financing, not guaranteed under current market conditions.

Accreditation: What's the Incentive?

¶17. (SBU) The GOE has decided to use accreditation as a mechanism to improve the quality of basic and higher education. Egypt's parliament passed legislation creating an accreditation system for universities in 2006 to be managed by the newly created National Accreditation and Quality Assurance Authority (NAQAA). Its management was named in early 2008. USAID's School Team Excellence Awards Program (STEAP) has substantially raised awareness of national educational standards through a nationwide competition among primary schools. However, NAQAA, which the NDP leadership is using to push education quality in schools, appears more punitive than motivational in its approach to school improvement, and is not a long-term solution for pre-university education.

The Shadow Cabinet

¶18. (SBU) There is strong public consensus that Egypt's education system is broken and quality must be improved. There are, however, a number of actors in the process, limiting Minister El Gamal's effectiveness and room for maneuver. They include First Lady Suzanne Mubarak, Gamal Mubarak and NDP Policy Committee member Hossam Badrawi, Moushira Khattab of the National Council of Childhood and Motherhood, NAQAA's Magdy Kaseem, and Minister of Higher Education Hani Helal. The inability of the government to collaborate and speak with one voice remains a challenge. On a positive note, Mrs. Mubarak sees the need for strong private financial support and engagement in school-based reform. Increasingly, it appears this group also understands the role of broader civil society engagement in education. However, Mrs. Mubarak's approach seems more patronizing and controlling than

consultative and participative, and unlikely to foster needed reforms.

School-Based Reform: A Glimmer of Hope

¶19. (U) USAID, the Canadian International Development Association and UNICEF have made solid gains in supporting the Ministry of Education in its efforts to promote school-based reform through changes in pedagogy, assessment, school management, parent engagement and early grade reading, among others. Donors are supporting pedagogical changes in over 400 schools to engage students more actively in their learning. USAID now has three years of data on its Critical Thinking, Achievement and Problem-Solving (CAPS) test and is using the results to change how teachers teach and assess their own assessment tools. The Canadians have a participative school leadership program in Assiut, Sohag and Qena. Parents in these donor schools are running for school board elections and volunteering. The USAID-funded STEAP program rewards good teachers based on results of a national competition in all 16,000 primary schools, thereby supporting broad-based reforms in pedagogy, school management, and student achievement. USAID has delivered school libraries totaling almost 25 million books to all 39,000 public K-12 schools in Egypt. Reading camps are springing up to address the critical challenges related to early grade reading of Arabic and literacy in general in Egypt. USAID recently convened donors and civil society, including entities working with Gamal Mubarak and Mrs. Mubarak, to share best practices regarding school-based reform. The challenge now is to scale up and diffuse innovations across the system.

Higher Education: The next challenge

¶20. (SBU) Higher education was originally part of the reform agenda between the USG and the GOE; however, the lack of real commitment to reform in 2006/2007 in terms of greater autonomy for public universities, and deregulation of private universities, combined with the current Minister of Higher Education Hany Hilal's fixation on a socialist planning model and greater control has made this a less favorable area for reform. A recent study also confirmed that despite several million dollars of World Bank investment in higher education technical institutes, this area remains very difficult and these institutes amount to little more than warehousing Egyptian youth to reduce unemployment and stave off political instability. USAID is working with private sector leaders as they champion reforms in higher education as a wedge to reforming this critical area and modeling innovative programs with faculties at Cairo and Alexandria University.

¶17. (SBU) COMMENT: One cannot speak of democracy or sustained economic growth in Egypt without bumping up against the constraints of the educational system. It is big, overstaffed with underqualified employees, corrupt and overly centralized. It is driving out the poor and warehousing youth. It has multiple masters with competing political agendas. But there are glimmers of hope. The GOE should be commended for taking political risk associated with implementation of the Teachers' Cadre personnel reforms. Unlike his predecessors, Minister of Education El Gamal has welcomed discreet, high quality expert technical assistance. He and his circle are dedicated to decentralization and are willing to experiment. His ministry has made tough decisions regarding textbooks, school construction and the tracking of students. At the same time, micro reforms at the school level are taking root and spreading to other schools and districts. The stakes for Egypt in addressing the shortfalls of the system in terms of economic and political development are enormous, but results will mainly be seen only in the medium- and long-term. The challenge to the reformers is to stay the course.